PERUVIAN PRECIOUS METALS CORP
TSX.V:PPX BVL:PPX

NEWS RELEASE ***TSX.V PPX; BVL PPX***

Peruvian Initiates Work at Igor Mine, Announces Private Placement

Vancouver, British Columbia – June 24, 2016 – Peruvian Precious Metals Corp. (the "Company" or "Peruvian") is pleased to announce that Proyectos La Patagonia S.A.C. (PLP), the mining contractor responsible for developing the Igor underground mine and conducting the test mining and bulk sampling program on the Callanquitas structure, has begun the process of mobilizing workers, material and equipment to the Igor project site.

PLP will take over responsibility for operations at the mine camp, which has the capacity to house up to 70 workers, begin upgrading facilities to accommodate workers, and initiate the process of hiring community workers in anticipation of beginning mechanized site preparation in early July. PLP will also begin upgrading access to the proposed mine portals, develop additional road access within the mine site, and start leveling areas for stockpiling and maintenance facilities. Mining operations are expected to begin within four to six weeks, with ramps being driven on the 3390 and 3440 levels. The ramps will be 2.4 by 2.4 metres and access the initial areas for stope development in the upper portion of the Callanquitas structure.

After further review of the working capital and infrastructure requirements for the test mining and bulk sampling program, PLP and the Company have identified additional capital requirements for the mining program. In order to finance its portion of the additional capital cost, Peruvian has agreed to a non-brokered Private Placement with PLP, for gross proceeds of approximately Cdn$381,795.70. The Private Placement will consist of 7,635,914 common shares priced at Cdn$0.05 per share.

Brian J. Maher, President and CEO of Peruvian commented: "Peruvian is pleased to pass this major milestone in developing the Igor Mine Project. With the beginning of work at Callanquitas on the Igor Mine, we anticipate shipping the first bulk samples for mill testing in October. The samples will have a variety of gold and silver grades, anticipated to average approximately 7 gpt gold and 75 gpt silver, in order to accurately analyze metallurgical recovery, reagent consumption, grind index, power consumption, and other technical characteristics of Callanquitas mineralization over a wide grade range. Data acquired during bulk sampling will be utilized by the company to complete a PFS/PEA by the end of 2016. The bulk sampling program represents a major transition for the Company, as we continue our evolution from explorer to developer and miner".

About Peruvian Precious Metals Inc.: Peruvian Precious Metals (PPX: TSX.V; BVL) is currently exploring and evaluating mine development opportunities at its Igor Mine Project in Northern Peru. The Igor project explores several high grade, gold and silver mineralized high-angle structures that host significant gold and silver resources. The Callanquitas Structure at the Igor Project contains Inferred gold and silver resources of 7,189,000 tonnes grading 1.94 gpt gold and 71.8 gpt silver containing 448,500 ounces of gold and 16,600,000 ounces of silver at a cutoff grade of 1.5 gpt gold equivalent. Included within this resource estimate is a higher grade zone consisting of 2,730,000 tonnes grading 2.73 gpt gold and 119.1 gpt silver containing 239,400 ounces of gold and 10,500,000 ounces of silver using a 3.0 gpt gold equivalent cutoff grade (Please see Technical Report as amended on September 27, 2013 entitled "Technical Report on the Callanquitas Structure, Igor Mine Project, Northern Peru, South America", available on the Company's web site or SEDAR). Mineral resources are not mineral reserves and do not have demonstrated economic viability. There is no certainty that all or any part of the mineral resource will be converted into mineral reserves. The Company has begun work on its underground test mining and bulk sampling program which is designed to validate and upgrade the resource estimate, and generate data to evaluate future mine development options at Igor. The Company also plans to continue exploration at Igor in order to fully evaluate the resource potential of the entire Igor project area.

All scientific and technical information in this press release has been reviewed and approved by Quentin J. Browne, P.Geo., Independent Consulting Geologist to Peruvian Precious Metals, who is a qualified person under the definitions established by National Instrument 43-101.

On behalf of the Board of Directors
Brian J. Maher
President and Chief Executive Officer

FOR FURTHER INFORMATION, PLEASE CONTACT:
Peruvian Precious Metals Corp.
Kimberly Ann Arntson, CFO, Vice President - Corporate Development
Phone: 1-530-414-4400
Email: kimberly.ann@peruvianpmc.com
Website: www.peruvianpmc.com

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This news release includes certain forward-looking statements or information. All statements other than statements of historical fact included in this release, including, without limitation, statements relating to the potential mineralization and geological merits of the Igor Mine Project and other future plans, objectives or expectations of Peruvian Precious Metals Inc. (the "Company") are forward-looking statements that involve various risks and uncertainties. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from the Company's plans or expectations include risks relating to the actual results of current exploration and development activities, fluctuating gold prices, possibility of equipment breakdowns and delays, exploration cost overruns, availability of capital and financing, general economic, market or business conditions, regulatory changes, timeliness of government or regulatory approvals and other risks detailed herein and from time to time in the filings made by the Company with securities regulators. The Company expressly disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise except as otherwise required by applicable securities legislation. Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.